

ULH/LFG

OCA 86-1293
23 April 1986

MEMORANDUM FOR THE RECORD

SUBJECT: Conversations with Jamie Cowan and Tom DeYulia on Retirement Legislation

1. On 22 April Jamie Cowan, Senate Governmental Affairs Subcommittee on Civil Service, Post Office and General Services staff called with the latest developments on the supplementary retirement bill. He met earlier that day with Joe Wright, Deputy Director of OMB and said for the first time that he got some positive signals from Wright with regard to OMB's position on the Congressional draft bill. Cowan said that a call from the DCI or DDCI to Don Regan or Joe Wright might be just what is needed to finally persuade OMB to accept the Congressional draft bill. He noted that he asked State officials to have Secretary Shultz call to support the foreign service package. Apparently State has agreed to do so. Cowan urged that our call be made on Wednesday, 23 April because that was "decision day" in OMB. If the administration goes along with the Congressional draft bill, then Congress will vote next week for a one month extension of the stop gap legislation. If agreement is not reached, Cowan said Congress will let the legislation lapse and new employees will have to pay into two retirement plans, about 14% of salary.

2. Cowan emphasized that the Congressional draft, while he was not able to give us a copy, was essentially the same as outlined in our extensive discussions. The effective date will be 30 June 1987 because that is when the thrift plan goes into effect.

3. On 23 April Tom DeYulia, Staff Director of the House Post Office and Civil Service Committee said that discussions between Congressional staff and OMB have come to a critical point. He said that OMB Director Miller and his deputy Joe Wright are willing to go along with the Congressional draft bill that will cost the government 22.5%

of salary. The cost with the social security supplemental benefit is 22.9%. He assured us that the essential provisions of the draft bill had not changed from those which we have discussed earlier. His understanding is that State will have a top official call the OMB to weigh in on behalf of the foreign service package.

4. DeYulia noted that if, and only if, the Congressional staffers reach an agreement with the administration, Congress will vote to extend the legislation one month to complete work on it. If no agreement can be reached, Congress will let the legislation lapse.

5. Based on the above information, and after consultation the Directors of Personnel and Congressional Affairs agreed to ask the Deputy Director to call OMB Deputy Director today. Mr. Magee briefed the Deputy Director on the essential facts shortly thereafter.

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